



TAG Oil Update on Cardiff-3 Deep Well Drilling Progress and Cheal-E Site Drilling and Testing

November 4, 2013 - Vancouver BC - TAG Oil Ltd. (the "Company") (TSX: TAO) and (OTCQX: TAOIF), reports that new wells in the Company's drilling program underway in the Taranaki Basin of New Zealand are showing encouraging results. These wells are part of an extensive New Zealand drilling campaign targeting significant hydrocarbon potential in lower risk shallow oil prospects and deeper high-impact gas-condensate prospects in the Taranaki Basin, and unconventional prospects in the East Coast Basin targeting naturally fractured source rocks.

Petroleum Mining Permit 38156 - Cardiff-3 (TAG 100%)

The deep Cardiff-3 well targeting the Eocene-aged Kapuni Formation is drilling ahead at approximately 4,113 meters after some delays due to the well encountering a high-permeability, hydrocarbon-bearing zone in the McKee Sands, at approximately 4,100 meters depth.

After drilling through the McKee Sands and into the second target zone, the K1A zone, TAG has encountered additional encouraging gas kicks of up to 20 times background levels. The Company expects to drill through the remainder of the main Kapuni Formation target zones in November and, at that time, will make a decision whether to complete and production test the well, if supported by data acquired as expected.

For further information regarding TAG Oil's deep drilling program please visit:

<http://www.tagoil.com/20130917-TAG-Oil-Deep-Drilling-Targets-Large-Onshore-Gas-Condensate-Resource-Taranaki.asp>.

Petroleum Exploration Permit 54877 – Cheal-E Site (TAG 70%)

TAG continues to drill step out locations in the Cheal area. Wells recently drilled from the Cheal North East site have now significantly extended the known oil and gas saturated area from the initial Cheal pool discovery.

TAG recently completed the third of five consecutive wells to be drilled within Petroleum Exploration Permit 54877: Cheal-E1, E2 and E3 wells have all encountered oil-and-gas bearing sands in the Urenui and/or Mt. Messenger Formations. These wells have now been completed in preparation for production testing, which we anticipate will commence in a few days' time.

To ensure more reliable long-term production forecasting on future wells in this emerging play, the Cheal-E1, E2 and E3 wells will be initially rotated, so that each well will be individually tested for approximately 15 days, and then shut-in temporarily to conduct pressure and temperature analysis. Following this initial test period, all wells will then be placed into permanent production.

Based on these encouraging results in the Cheal-E site, TAG will now drill the Cheal-E4 and E5 wells, followed shortly by three new step out wells in Petroleum Exploration Permit 54879 (Cheal South, TAG 50%) with joint venture partner East West Petroleum Corp.



TAG Oil CEO, Garth Johnson commented, “I would like to thank our team for their continuing hard work and dedication to a very busy operational program that has been conducted to date without compromising safety. Not only are we seeing some very encouraging results via the drill bit at Cardiff and at our Cheal-E site, our team has managed to simultaneously build a cost-effective permanent production facility at the Cheal-E site that has the capability to test and place successful wells into permanent production, at a fraction of the time normally experienced. We’re excited with the program we have underway, TAG’s most active ever, and results to date have us looking forward to establishing new production and reserves in New Zealand for many years to come.”

For further information regarding TAG Oil’s production and drilling program please visit:
<http://www.tagoil.com/20130814-TAG-Oil-Reports-Strong-Q12014-Financials.asp>

TAG Oil Ltd.

TAG Oil Ltd. (<http://www.tagoil.com/>) is a Canadian-based production and exploration company with operations focused exclusively in New Zealand. With 100% ownership over all its core assets, including extensive oil and gas production infrastructure, TAG is enjoying significant organic value creation through development and appraisal drilling of several light oil and gas discoveries and through prospect generation across an extensive acreage position. As New Zealand’s leading explorer, TAG actively drills high-impact conventional and unconventional exploration prospects identified in the Taranaki Basin, East Coast Basin and Canterbury Basin that covers more than 2,669,780 net acres of land, prospective for major discovery in New Zealand.

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The resource estimates in this news release were prepared with an effective date of July 31, 2013. The estimates for Cardiff have been externally prepared by Sproule International Limited and the remaining estimates were prepared internally by TAG professionals, both of which are qualified reserves evaluators in accordance with NI 51-101 and the Canadian Oil and Gas Evaluations Handbook.

Prospective resources are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.

Exploration for hydrocarbons is a speculative venture necessarily involving substantial risk. TAG’s



future success in exploiting and increasing its current reserve base will depend on its ability to develop its current properties and on its ability to discover and acquire properties or prospects that are capable of commercial production. However, there is no assurance that TAG's future exploration and development efforts will result in the discovery or development of additional commercial accumulations of oil and natural gas. In addition, even if further hydrocarbons are discovered, the costs of extracting and delivering the hydrocarbons to market and variations in the market price may render uneconomic any discovered deposit. Geological conditions are variable and unpredictable. Even if production is commenced from a well, the quantity of hydrocarbons produced inevitably will decline over time, and production may be adversely affected or may have to be terminated altogether if TAG encounters unforeseen geological conditions. TAG is subject to uncertainties related to the proximity of any reserves that it may discover to pipelines and processing facilities. It expects that its operational costs will increase proportionally to the remoteness of, and any restrictions on access to, the properties on which any such reserves may be found. Adverse climatic conditions at such properties may also hinder TAG's ability to carry on exploration or production activities continuously throughout any given year.

The significant positive factors that are relevant to the resource estimate are:

- Proven production in close proximity;
- Proven commercial quality reservoirs in close proximity; and
- Oil and gas shows while drilling wells nearby.

The significant negative factors that are relevant to the resource estimate are:

- Tectonically complex geology could compromise seal potential; and
- Seismic attribute mapping in the two, deep, liquids'-rich gas plays can be indicative but not certain in identifying proven resource.

Cautionary Note Regarding Forward-Looking Statements:

Statements contained in this news release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of TAG. Such statements can be generally, but not always, identified by words such as “expects”, “plans”, “anticipates”, “intends”, “estimates”, “forecasts”, “schedules”, “prepares”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. All estimates and statements that describe the Company's objectives, goals, production rates, optimization, infrastructure capacity and or future plans with respect to the drilling in the Taranaki Basin are forward-looking statements under applicable securities laws and necessarily involve risks and uncertainties including, without limitation: risks associated with oil and gas exploration, development, exploitation and production, geological risks, marketing and transportation, the risk associated with estimating undiscovered original initially-in-place described above, availability of adequate funding, volatility of commodity prices, imprecision of reserve estimates, environmental risks, competition from other producers, and changes in the regulatory and taxation environment. Actual results may vary materially from the information provided in this release, and there is no representation by TAG Oil that the actual results realized in the future will be the same in whole or in part as those presented herein.

Other factors that could cause actual results to differ from those contained in the forward-looking statements are also set forth in filings that TAG and its independent evaluator have made, including TAG's most recently filed reports in Canada under NI 51-101, which can be found under



TAG's SEDAR profile at www.sedar.com.

TAG undertakes no obligation, except as otherwise required by law, to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors change.